

Canadian Food Inspection Agency (CFIA)

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1. *Origins and Rationale*

Governmental responsibility for food in Canada is divided among the federal, 10 provincial, three territorial, and thousands of municipal governments. Some 77 pieces of legislation govern food inspection among three levels of government. Federal responsibility centres on export and inter-provincial trade: protecting and expanding export markets for Canadian food products, and facilitating interprovincial trade. In addition, the federal government sets food safety, quality and grading standards for products sold interprovincially and internationally and administers regulations aimed at preventing the production or sale in Canada of dangerous, adulterated or misbranded products. Provinces and municipalities are responsible for:

... the intraprovincial aspects of the food industry, including local food processing, the food service industry, and the food retail industry. They decide whether and how to inspect local operations, including restaurants and grocery stores, as well as dairies and meat plants whose products are sold within the province. (Moore and Skogstad, p. 130)

The federal government of Canada faced a number of food security problems in the early 1990s, which facilitated adoption of innovative reform measures:

- Canada's reputation for high quality food had been damaged by the "tainted tuna" scandal.
- Resources for additional inspection of fish products were not available; resources were not only scarce but shrinking.
- The Government wanted to reform its public service along the lines achieved in the United Kingdom and New Zealand, where separate agencies were spun off from government.
- Developments in international trade and potential developments in interprovincial trade:
 - * Industry and governments favored harmonized standards and streamlined inspection to ensure the competitiveness of the Canadian food industry domestically & internationally.
 - * Canadian producers/processors were vulnerable to trade challenges in a fragmented system.
 - * *Gaps* resulting from non-inspection or non-rigorous inspection were perceived by processors as a weak link, despite the small percentage of overall production represented and assurances outlined in the Auditor General of Canada's 1994 Report.
 - * Closer integration of the US and Canadian markets under free trade agreements made the industry anxious to reduce the costs and inefficiencies resulting from differing provincial standards e.g. fluid milk.

- * The "national treatment" principle in the North American Free Trade Agreement could be interpreted to mean that imports must meet the provincial standard of the province they enter rather than the standard required for inter-provincial or international trade. This could drag down Canadian food standards to the lowest common denominator.
- * Canadian exporters were concerned about being denied access to external markets on the grounds that Canadian food safety standards and inspection systems were not equivalent to those of the markets into which they were shipping.
- * The 1994 SPS Agreement required that countries use their food safety and animal, plant and health regulations only to the extent necessary to protect human, animal life or health, not for trade protection purposes.
- Emergence of alternatives to high-cost prescriptive regulation: New scientific and technological tools furnished the Government with opportunities to shift additional costs and a significant degree of responsibility for food safety to the food industry itself. Risk assessment methods allowed the allocation of food inspection resources on a risk basis. One such risk-based tool, the Hazard Analysis Critical Control Point (HACCP) system, developed for the US space program, was deemed more effective than existing systems in ensuring food safety. Canada was the first government to adopt this system, for its fish inspection program. It was so well accepted internationally that Canadian meat packing plants were subsequently required to conform to US regulations requiring large American meat packing plants to implement a HACCP plan by January 1998.
- National unity was threatened, and solutions suggested in the winning Liberal platforms in the 1993 and 1997 elections were renewal of the federation, including better coordination of services and reduction in overlap and duplication among governments.

2. Description

The Government of Canada consolidated all of its food inspection and quarantine services from Health Canada, Fisheries and Oceans, and Agriculture and Agri-Food Canada into one self-standing Agency effective April 1, 1997. The Agency reports not to a deputy minister but directly to the Minister of Agriculture and Agri-Food. The Agency has separate employer status, and so can hire and fire its own employees, rather than working through the Public Service Commission. It also has a number of financial flexibilities not available to government departments, most notably the capacity to retain revenues.

3. Risks, Problems, Barriers

Protecting the public interest is a major concern in creating alternate service delivery agencies (ASDs) in Canada. Employing the Auditor General of Canada's definition of the public interest when assessing ASDs, the CFIA addressed whether there was an appropriate focus on public objectives, maintenance of public service values and adequate control over public funds and assets. On all counts the CFIA's self-assessment concluded it was serving the public interest.

The Auditor General of Canada was appointed as an external auditor under the CFIA Act, with duties to audit the CFIA's financial statements and assess the fairness and reliability of the performance information provided in the Agency's Annual Report to Parliament. The Auditor General also has authority to conduct periodic value-for-money audits of the Agency.

4. Benefits

- Clarification of food-related roles and responsibilities of federal government departments has led to:
 - * A more integrated and comprehensive approach (gate-to-plate) to trichinosis in swine, tuberculosis in cattle and zoonotic diseases such as salmonella enteritidis in poultry.
 - * Improved capacity to respond to outbreaks of food-borne illness and threats to the food system presented by medicated feeds and antibiotic residues.
 - * Separation of health and safety standard setting from inspection, permitting new flexibilities for inspection.
 - * Separation of health risk analysis from risk management , thereby fulfilling a World Health Organization principle
 - * Reduced criticism of conflict of interest because the same department was responsible for promoting and regulating an industry (fisheries).
- Creation of an agreement on a harmonized National Dairy Regulation and Code and progress on developing harmonized standards and inspection systems for the meat and poultry sector.
- Significant streamlining and other efficiency gains - \$44 million annually.
- Improved service delivery due to creation of a single point of contact and addressing of specific problems.
- Increased federal/provincial harmonization and cooperation.
- Enhanced accountability and reporting to Parliament, with an emphasis on performance.

5. Lessons Learned

- It is critical to get accountability right.
- An ASD can design measures to protect the core values of a merit-based, non-partisan public service.
- ASDs can retain adequate controls over the use of public funds.
- The public interest is always advanced when the public perceives it is getting good service and good value for money.
- The public interest is advanced if ASDs realize their promise to be more responsive to citizens.
- ASDs can pilot innovations which are at the leading edge of the promotion of new public management models.
- ASDs can improve the advancement of the public interest by significantly enhancing the ability of the public service to serve.

6. The Future

The federal government is committed to pursue federal-provincial partnerships through joint management agreements with the provinces. This creates the potential for integrating federal food inspection services with those of the ten provinces and three territories, and potentially with municipalities.

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